

Message Text

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ACTION AF-07

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FM AMEMBASSY NOUAKCHOTT

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SUBJECT: MIFERMA NATIONALIZATION AND BIAO

REF: A. STAT 274664

B. NOUAKCHOTT 1972

C. STATE 275411

D. PARIS 30292

SUMMARY: EMBASSY HAS DISCUSSED CONTROVERSY CONCERNING
BANQUE INTERNATIONALE POUR L'AFRIQUE OCCIDENTALE (BIAO)
WITH VARIOUS INTERESTED PARTIES. THIS CULMINATED IN DEMARCHE
BY CHARGE TO CENTRAL BANK DIRECTOR FOR EXTERNAL AFFAIRS.
WE DO NOT BELIEVE GIRM INTENDS TO NATIONALIZE LOCAL BIAO
BRANCH BUT WILL CONTINUE TO MONITOR SITUATION CAREFULLY
AND MAKE FURTHER DEMARCHES AS NECESSARY. END SUMMARY.

1. YVES DURAND, DIRECTOR OF BANQUE INTERNATIONALE POUR LA
MAURITANIE (BIMA), WHICH IS LOCAL NAME FOR BANQUE INTERNATIONALE
POUR L'AFRIQUE OCCIDENTALE, BRIEFED EMBASSY OFFICERS ON
NEW DEVELOPMENTS DECEMBER 17. DURAND SAID HE WAS LEAVING
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FOR NOUADH BOU DECEMBER 18 WHERE HE WOULD MEET WITH DIRECTOR

OF SOCIETE NATIONALE INDUSTRIELLE ET MINIERE (SNIM), ORGANIZATION WHICH NOW RUNS RECENTLY NATIONALIZED LA SOCIETE DES MINES DE FER DE MAURITANIE (MIFERMA). DURAND SPECULATED THAT CENTRAL BANK OF MAURITANIA IS IN PROCESS OF REJECTING EARLIER BIAO REQUEST THAT CENTRAL BANK WITHDRAW ITS CLAIM AGAINST BIAO-BIMA (SEE REF B FOR DETAILS). AS RESULT, DURAND THOUGHT BIAO PRESIDENT MIGHT HAVE TO MAKE DIRECT APPEAL TO MAURITANIAN PRESIDENT. HE OPINED THAT IF EMBASSY WISHED TO MAKE DEMARCHE, "NOW WOULD BE THE TIME." DURAND DID NOT BELIEVE HOWEVER, THAT GIRM IS ABOUT TO NATIONALIZE BIMA.

2. EMBASSY OFFICERS DISCUSSED SITUATION DECEMBER 18 WITH FRENCH EMBASSY CHARGE MILLOT. (FRNCH BANKS HAVE SUBSTANTIAL INTEREST IN BIMA). MILLOT SAID FRENCH EMBASSY DOES NOT PLAN TO MAKE ANY DEMARCHE RESUBJECT CONTROVERSY. HE SAID DIFFERENCES BETWEEN CENTRAL BANK AND BIMA CONSTITUTE NO KNOWN THREAT OF NATIONALIZATION OR OTHER ACTION ON WHICH DEMARCHE COULD BE BASED. ALTHOUGH MILLOT UNDERSTOOD MAURITANIAN LAW MADE LOCAL BANKS CO-RESPONSIBLE FOR REPATRIATION OF ALL FOREIGN EXCHANGE OWED THEIR CLIENTS, HE CONSIDERED LAW UNREASONABLE AND UNENFORCEABLE. HE ADDED THAT ANY PUNITIVE ACTION AGAINST BIMA WOULD FAIL TO REALIZE REPORTED 12 MILLION

DOLLARS IN OUTSTANDING ACCOUNTS. IN CONCLUSION, MILLOT SAID FRENCH EMBASSY WOULD TAKE "A WAIT AND SEE ATTITUDE."

3. FOLLOWING THIS SESSION, EMBASSY OFFICERS MET WITH SPANISH CHARGE ALONSO-BURON. REPRESENTATIVES OF SPANISH-OWNED EL BANCO POPLAR RECENTLY VISITED NOUAKCHOTT TO DISCUSS POSSIBILITY OF ACQUIRING SHARES IN BIMA. ALTHOUGH ALONSO-BURON TOLD US HE IS NOT CERTAIN WHETHER EL BANCO POPULAR HAD ACTUALLY ACQUIRED AN INTEREST IN BIMA, HE NEVERTHELESS SAW ACTING MINISTER OF FOREIGN AFFAIRS TO EXPRESS HIS EMBASSY'S CONCERN OVER CONTROVERSY. IN RESPONSE TO QUESTION, ALONSO-BURON SERIOUSLY DOUBTED THAT BIMA IS ABOUT TO BE NATIONALIZED.

4. IN VIEW OF ABOVE DEVELOPMENTS, CHARGE MET DECEMBER 20 WITH DIAGN BOUBOU FARBA, CENTRAL BANK DIRECTOR FOR EXTERNAL

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AFFAIRS, TAKING OCCASION TO MAKE FOLLOWING POINTS: (A) FNCB OWNS 49 PERCENT OF BIMA; (B) USG CONCERNED THAT US INVESTORS BE TREATED IN ACCORDANCE WITH PRINCIPLES OF INTERNATIONAL LAW; AND (C) CHARGE WOULD HOPE TO BE INFORMED OF ANY SIGNIFICANT DEVELOPMENTS THIS MATTER, PARTICULARLY CONCERNING POSSIBILITY OF NATIONALIZATION ON BIMA. BOUBOU FARBA MINIMIZED DIFFERENCES BETWEEN CENTRAL BANK AND OIMA, NOTING THAT MAJOR PROBLEM DOES NOT EXIST BETWEEN TWO PARTIES.

HE REJECTED AS ABSURD SUGGESTION GIRM HAS ANY INTENTION OF NATIONALIZING BIMA. AT SAME TIME, HE SAID HE WOULD ADVISE EMBASSY OF ANY IMPORTANT NEW DEVELOPMENTS.

5. COMMENT: IT IS GENERALLY AGREED HERE THAT GIRM DOES NOT INTEND TO NATIONALIZE BIMA, AT LEAST NOT PRESENT. BELIEVE WE HAVE TOUCHED ALL NECESSARY BASES FOR TIME BEING. WE WILL FOLLOW MATTER CLOSELY, HOWEVER, AND ESCALATE OUR DEMANDS WITH GIRM SHOULD SITUATION MERIT. SHINN

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